

# St. Mary University

# **School of Graduate Studies MBA Program**

# THE EFFECT OF ORGANIZATIONAL CULTURE ON EMPLOYEES PERFORMANCE: THE CASE OF ETHIOPIAN ROADS AUTHORITY

## $\mathbf{BY}$

WEGAYEHU ASSEFA SGS/0030/2012A

**ADVISOR** BIRHANU ENDASHAW (PHD)

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Addis Ababa, Ethiopia

#### ST. MARYS UNIVERSITY

## SCHOOL OF GRADUATE STUDIES

This is to certify that the study entitled, "The Effect of Organizational Culture on Employees Performance - in the case of Ethiopian Road Authority" will be carried out by Wegayehu Assefa under the Supporting of Birhanu Endashaw (PhD) submitted in partial fulfillment of the requirements for the award of Master of Business Administration in Management which complies with the regulations of the University.

## APPROVED BY BOARD OF EXAMINERS

Dean, School of Graduate Studies	Signature	Date
Advisor	Signature	Date
External Examiner	Signature	Date
	Signature	——————————————————————————————————————

## **DECLARATION**

I, Wegayehu Assefa, declare that the study entitled The Effect of Organizational Culture or
Employees Performance in the Case of Ethiopian Road Authority" is my original work that is done
under the guidance and input of my advisor, Birhanu Endashewa (PhD)
This study was done in partial fulfillment for the Degree of Master of Business Administration
(MBA).

Declared by:	
Name:	Wegayehu Assefa Debel
Signature:	
Date:	June 2021.

## **ENDORSEMENT**

This is to certify that Wegayehu Assefa has carried out her research work on the topic entitled "The Effect of Organizational Culture on Employees' Performance in the Case of Ethiopian Road Authority".

This study has been submitted to St. Mary University, School of Graduate Studies for examination with my approval as a university advisor.

Birhanu Endashaw (Phd)	
Advisor	Signature
St. Marys University,	Addis Ababa
	June 2021

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#### **ABSTRACT**

The objective of this study was to examine the effect of organizational culture and employees' performance. The researcher used explanatory research design with quantitative research approach in order to meet the objective of the study. The target population for this study was professional employees of Ethiopian Road Authority located in Head Office. Out of which 296 respondents were selected using Stratified Random Sampling Technique. A structured and self-administered questionnaire was developed based on Denison's organizational culture dimensions (involvement, consistency, adaptability and mission) and employees' performance, and distributed to the target respondents. A total of 272 questionnaires were used for this study and the data were analyzed using descriptive and inferential statistics. Pearson Correlation analysis shows that there was statistically significant positive relationship between all the four organizational dimensions (i.e. involvement, consistency, adaptability and mission) and employees' performance. Moreover, involvement had stronger positive and statistically significant correlation with employees' performance than the other dimensions. Relatively, adaptability had less positive correlation with employees' performance. The result of regression Analysis revealed that 75.8% of the variation of employees' performance can be predicted by the independent variables i.e. involvement, consistency, adaptability and mission. In addition, the two organization culture dimensions (i.e. involvement and mission) had significant contribution to employees' performance at 95% confidence level. However, adaptability and consistency had a positive but statistically insignificant contribution towards employees' performance. Accordingly maintaining the organizational culture with significant contribution towards performance, the organization should also strengthen its organizational learning culture because it is a prerequisite for adaptability strategy. Therefore, the organization should encourage and empower its employees so as to make them more innovative and to develop an appetite for taking risks and to proactively respond to the changing needs of their customers, is recommended by the researcher.

**Keywords:** Organizational culture, Involvement, Consistency, Adaptability, Mission employees' performance and Ethiopian Road Authority

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## LIST OF ACRONYMS

**SPSS:** Statistical Package for the Social Sciences

**ANOVA:** Analysis of Variation

**ERA:** Ethiopian Road Authority

**ERCC:** Ethiopian Roads Construction Corporation

#### **CHAPTER ONE**

#### 1 INTRODUCTION

This chapter presents the introductory part of the study. It attempts to highlight the background of the study, statement of the problem, research questions and objectives, significance of the study, and scope of the study.

## 1.1 Background of the study

The organizational culture most liable to form high ethical standards among its members is high in risk tolerance, low to moderate in aggressiveness, and focused on means as well as outcomes. This type of culture takes a long-term perspective and balances the rights of multiple stakeholders, including employees, stockholders, and the community. Managers are supported for taking risks and innovating, discouraged from engaging in unbridled competition, and guided to heed not just to what goals are achieved but also how. (Stephen P. Robbins, Timothy A. Judge, 2013)

Organizational culture is one of the important foundations for the day to day running of a company. It includes values, norms, behaviors and traditions that are deeply rooted in the organization and shared among employees and employers to give guidance on how things can be done in a certain way. According to Schein (2004), Organizational culture has different components and these attributes determine the performance of employees or how they behave the way they do. It is formed by organizational values, visions, norms, working language, systems and symbols. Iceberg model (Schein 2004),

The organizational culture of an organization depends on its environment, objectives, and belief system and management style. A strong organizational culture indicates that employees are likeminded and hold similar beliefs/ethical values while a weak organizational culture indicates that employees are unlike-minded and hold dissimilar belief/ethical values. (Robbins & Judge, 2012).

Organizational culture also refers to a system of shared meaning and beliefs held by organizational members of an organization that distinguishes the organization from other organizations (Robbins, 2001) In light of this definition, different organizations can be regarded as having their own cultures, which affect or influence the attitudes and the behaviors of their employees. (Flamholtz, 2001).

Different literatures and studies defined organizational culture dimensions in different dimension. Dolan and Lingham (2012) explain Charles Handy organizational culture concepts that classify organizational cultures as power, role, task and person culture. The first dimension: power culture concentrates on power among a few with few rules and little bureaucracy. Role culture, second organizational dimension, is demonstrated when employees have clearly delegated authorities within a highly defined or bureaucracies structure. The third dimension is task culture in which teams are formed to solve particular problems and there will be multiple reporting lines of a matrix. The last culture: person culture exists where all individuals believe themselves superior to the organization. Additionally, Coffey, Trew and Trigunarsyah (2012) explained the four organizational cultures (Involvement, consistency, adaptability and mission) depicted on Denison organizational culture model. The researcher further explains these dimensions as follows: involvement, the primary organizational dimension, ensures the participation of employees in decision making. And consistency dimension emphasizes on maintenance of the status quo by being well coordinated and well integrated. The third dimension, adaptability, depicts the ability of the organization in translating the demands of the business environment into action. The preceding dimension is mission whereby organizations devise meaningful long-term strategic direction and vision of the company.

#### **Employee Performance**

Employee performance is a term typical to the Human Resource field where employee performance can refer to the ability of employees to achieve organizational goals more effectively and efficiently. It involves all aspects which directly or indirectly affect and relate to the work of the employees. It is one measurement of work results in determining individual attributes such as ability and experience, organizational supports such as resources and technology and work effort, the point at which individual level of motivation comes directly to be involved. Employee performance can also be seen as an aggregate value to an organizations set of behaviors that an employee contributes both directly and indirectly to organization goals.

Employee performance is important; this is so because an organizations success is dependent upon the employee's creativity, innovation and commitment. Every employee performs different jobs or tasks in an organization depending upon the nature of the organization. These jobs or tasks are performed by the employees properly so they can give their best output at the job. The importance of employees' performance must be understood by the management and sincere efforts must be put in that direction. The management of the company taking timely steps in that direction will be in position to develop and motivate the people to do so (Ramlall (2008).

## Organizational culture and employee performance

Organizations culture depicts the performance of its employees both practicing managers and organizational researchers. To achieve organization objectives, the desire and the combined effort of employees must be critically look at by organizations.

An employee performance level is a function of his abilities and the set key individuality of an organization values. Where there is a strong positive dominant culture which is expressed by majority of the organizations members and their subcultures are typically inclined with the dominant culture organizational performance is to be equivalent, thus organizational objectives can be achieved uniformly at a high level making the organization stand out compared to other organizations; but where there is no uniformity between the dominant culture and the subcultures the main achievements of an organization cannot be obtained uniformly because departmental way of achieving this goals are in contrast with organizations culture thus performance level is low. One of the key elements in personnel management is organizational culture: "Organizational culture is a system of sharing meaning held by members that distinguishes the organization from other organizations (Robbins & Judge 2009)."

From the study of Robbins and Judge, managers and organizational researchers cannot ignore the primary characteristics that capture the essence of an organizations culture. In this regard, organizations have seven primary characteristics; innovation and risk taking, attention to detail, outcome orientation, people orientation, team orientation, aggressiveness and stability. Appraising the employees with these characteristics gives a composite picture of an organizations culture and the basis for feeling shared understanding that members have about the organization. The only challenge faced by managers, therefore is to create and sustain an organizational culture—and how best to manage it ethically, positively to make an organization stand out as the best. To be able to do this efficiently and effectively, there is the need for managers to inculcate into workers the passion to learn these cultures and make it as part of their daily lives. It is on the basis of this the managers can efficiently and effectively work with workers without opposition because they both have a clear mind on the mission and vision of the organization which is surrounded in the culture of the organization. This is essential because all human beings have their own prescribe cultures from where they come from (Robbins & Judge 2009).

#### 1.2 Background of the Organization

The Imperial Ethiopian Government was persuaded that a Road Agency solely accountable for rehabilitate/restoring and expanding the road network throughout the country had to be established. Accordingly, the Imperial Highway Authority (IHA) was established under proclamation No. 115/1951 as a semi-autonomous agency. The objective to be accomplished was expressed by the words, "The Authority shall have the duty of developing and maintaining the Highway systems of

our Empire". The specific duties were to plan, design, construct and maintain highways, roads and bridges throughout the empire. The Ethiopian Roads Authority when established in 1951 as IHA had about 650 permanent employees of which all supervisory personnel, engineers and majority of construction equipment operators and mechanics. (*www.era.gov.et.*)

The Ethiopian Roads Authority has been reestablished under proclamation 133/1978 incorporating, among others, the Rural Roads Department in addition to the Highway Department. The Ethiopian Roads Authority was also reestablished by proclamation No. 63/1993 with a view to providing a strong administration under the leadership of the Board. Highways to ERA as part of the Central Government's responsibility ERA's role regarding regional Rural Roads become rendering supports such as network planning, training and technical assistance when believed necessary by regional government. (www.era.gov.et)

To cope up with existing situations the Authority was again re-established by proclamation No. 80/1997 with the objective to develop and administer highways, to ensure the standard of road construction and to create proper conditions on the road network is promoted. According to the proclamation, ERA is legally autonomous agency responsible for the management of the country's roads. The proclamation further stipulates that trunk and major link roads, which make up the federal road network systems, are administered by the Ethiopian Roads Authority (Ethiopian Road Authority Guideline)

Ethiopian Roads Authority's primary function is to maintain the existing road network through the districts as its corporate responsibility. The maintenance of entire main road network is carried out by ten maintenance districts which are conveniently located at various regions throughout the country. The new proclamation also authorized ERA to administer weigh bridges and through them to control overloaded vehicles which are one of the major causes for fast deterioration of roads.

Ethiopian Roads Authority has reorganized its operations and regulatory departments as independent. The former operations department has been reorganized as a public contractor as Ethiopian Roads Construction Corporation (ERCC) by the council of Ministries Regulation No.248/2011 with the purpose of engaging in domestic and overseas and the regulatory department has been reorganized as Ethiopian Roads Authority (ERA) by the council of Ministries Regulation No.247/2011 with responsibility to plan and manage the road network and supervise road works and accountable to Ministry of Transport. The highest authority of ERA is laid on the Board of Directors is directed by the Chief Executive Office called the Director General.

#### 1.3 Statement of the Problem

Most organizations put more efforts on the focus of only intrinsic and extrinsic reward systems, give less concern on the traditional cultural activities. According to Kandula (2006) the key to good performance is a strong culture. He further maintains that a positive and strong culture can make an average individual performance and achieve brilliantly whereas a negative and weak culture may demotivate an outstanding employee to underperform and end up with no achievement. Therefore, organizational culture has an energetic and express role in performance of employee (Ahmed, 2012). However, organization culture has received relatively low levels of practical examination among the possible qualifications of employee performance (Lok& Crawford, 2004). Zain (2009) examined the effect of four dimensions of organization culture on employee performance and found that all the four dimensions of organization culture were important determinants of employee performance. In a study of Hong Kong and Australian managers, Lok and Crawford (2004) found a positive effect of organization culture on employee performance.

Considering the organization under study, even though it has strong organizational culture maintained by the senior employees obtained through experience, it is observed that there is absence of clearly defined and visible expression of organizational culture which needs to be passed on to the new hires. As it is obvious that very senior employees will separate from the organization one way or the other, there is no doubt for the need of clearly defined and visible expression of organizational culture. This will help to increase the number of performed young employees throughout the organization.

Hence, investigating each organizational culture dimension enables organizations to identify a cultural dimension which has greater effect on employee performance. Coming to the specific case organization, Ethiopian Road Authority has organizational culture which distinguishes it from other organizations. This organizations culture encompasses shared values, norms and attitudes which guide the way employees behave. Accordingly, studying the organizational culture and its effect on employee performance might help the organization to enrich its organizational culture practice and adjust its focus on most important organizational culture type that can bring employee performance. Therefore, this study was conducted to examine the effect of each selected organizational culture dimensions (Involvement, consistency, adaptability and mission) on employee performance.

#### 1.4 Research Questions

- 1. What is the effect of adaptability on employees' performance in ERA?
- 2. To what extent involvement affects employees' performance in ERA?
- 3. What is the effect of consistency on employees' performance in ERA?
- 4. To what extent mission affects employees' performance in ERA?

## 1.5 Objectives of the Study

#### 1.5.1 General Objective

The general aim of this study is to examine the effect of organizational culture on employee performance in Ethiopian Road Authority.

## 1.5.2 Specific Objectives

The specific objectives of the study are to:

- 1. Examine the effect of adaptability on employees' performance in ERA.
- 2. Determine to what extent involvement affects employee's performance in ERA.
- 3. Evaluate the effect of consistency on employees' performance ERA.
- 4. Determine to what extent mission affects employee's performance in ERA.

#### 1.6 Significance of the Study

The study outcome is expected to benefits Ethiopian Road Authority to direct its attention as it highlights organizations current position in terms of organizational culture and employee's performance. It might also help the authority to develop its organizational culture practice and adjust its focus on most important organizational culture type that can improve employee's performance. By identifying the existing organizational culture in Ethiopian Road Authority and its relationship with employees' performance may help the organization in increasing the number of well performing employees.

On the other hand, the study may also help similar organizations that operate in the same industry to get a hint of information on organizational culture which is related to employee's performance and might use the recommendations given by the researcher for further study to investigate more on the area in a broader and wider scope.

#### 1.7 Scope of the Study

This study addresses the effect of organizational culture on employee performance in Ethiopian Road Authority at head office. The major activities of the authority are under taken at head office and the majority of the employees also exist at head office. That is why the scope of the study was geographically limited to only at head office.

The concepts of organizational culture are very broad in scope to address the mat depth and impossible to include all those concepts, dimensions, and models in a single research work. Therefore, the researcher only focused on selected organizational culture dimensions focusing on adaptable culture, mission culture, involvement, and consistency culture.

There was also a methodological scope in target population. In this study, the whole target population was not taken, due to the complexity to manage all the population.

#### 1.8 Limitation of the Study

This research work was carried out based on the responses obtained from the sample employees of Ethiopian Road Authority who are working at Addis Ababa, Head Office only. However, Ethiopian Road Authority is one of the largest leading road sector organizations in the country which have large number of district offices. Due to time constraint and Geographical limitation to cover district offices, this research work generalizes the result based on the sample employees at Head Office. The concepts of organizational culture are very broad in scope to address the mat depth and impossible to include all those concepts, dimensions, and models in a single research work.

## 1.9 Organization of the Study

Chapter one introduces the paper and contains the background, statement of the problem, scope of the study, significance of the study and objectives of the study. Chapter two reviews both theoretical and empirical literatures on organizational culture and employee performance. Chapter three discusses about the research methodology how the researcher done her entire research work from data collection to analysis. The fourth chapter is about results and discussion of the study. Finally, the last chapter, Chapter five contains Summary of findings, conclusion and recommendations based on the findings of the research.

#### **CHAPTER TWO**

#### 2 LITERATURE REVIEW

This chapter presents an insight to readers about the theoretical view of the topics under study. In line with the chapter covers the concepts and definitions of organizational culture and employees" performance, the importance of organizational culture. In addition, the present chapter includes research findings on effect of organizational culture on employee performance. Furthermore, the conceptual framework of the study is developed at the end of this chapter.

## 2.1 Concepts of Organizational Culture

Organizational culture can be viewed in many ways, it has been defined by different writers and majority of them agree with the concept of culture as it refers to values, underlying assumption, expectations, and definitions that characterize organizations and its employees.

The definition of culture by Schein (2010) was as a pattern of shared basic assumptions learned by a group as it answered its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the right way to perceive, think, and feel in relation to those problems.

Supporting Schein's definition Denison and Neale (2008) found that organizational culture as the underlying values, beliefs and principles that serve as a foundation for an organization's management system, as well as the set of management practices and behaviors that both demonstrate and reinforce those basic principles and these principles and practices stand because they have meaning for the members of an organization.

Nongo (2012) asserted that culture is critical to understanding any society or group. Through the process of socialization individuals bring into groups. Groups have the capacity to shape, influence, and determine group member's outlooks, viewpoints, outputs, attitudes and indeed behaviors. Organizations are created to solve societal problems. So that organizations employ individuals to assist them in the task of solving their assigned societal problems. However, the behavioral border among organizational members creates a pattern of behaviors, values and attitudes that can be distinguished, isolated and identified as strange organizational culture. And the researcher measured organizational culture the in term of involvement, consistency, adaptability, and mission and

employee performance measured in profitability, productivity, and employee motivation. On other hand, Mehr (2012) stated that today cultural clashes in any international project organization have led to an increased emphasis on preparedness on possible conflicts existing in cross-cultural cooperation. Cultural differences often result in varying degrees of conflict and require careful consideration.

Garmendia (2004) discussed that a strong culture is now nearly generally understood to have a positive impact on performance. The translation of observation to the association between strong culture and success would involve playing down the importance of the former, so as to avoid an implied defense of cultural determinism. Certainly, financial results themselves influence cultural strength. Moreover, performance depends on many variables, and may therefore be found to be very high in companies with weak cultures.

However, organization culture is an important factor in enhancing the accomplishment of organizational goals and objectives. And organization culture affects the way in which people behave in an organization and also organization culture can lead the employee improvement in workplaces to help and become more committed to their jobs (Nongo& Ikyanyon1, 2012).

## 2.2 The Importance of Organizational Culture

Different authors write about the importance of organizational culture, among those Robbins and Judge (2013) asserted as that culture has a boundary-defining role: it creates distinctions between one organization and others. It also conveys a sense of identity for organization members. In addition, culture facilitates commitment to something larger than individual self-interest. It also enhances the stability of the social system by being social glue that helps hold the organization together by providing standards for what employees should say and do.

Mullins (1999) confirms that culture helps to account for variations among organizations and managers, both nationally and internationally. Culture helps to explain why different groups of people perceive things in their own way and perform things differently from other groups. Culture can help to reduce complexity and uncertainty. It provides a consistency in outlook and values, and makes possible the process of decision-making, co-ordination and control. There is nothing accidental about cultural strengths. In addition to this Saiyadin (2003) explains that culture performs the following functions.

- **2.2.1. Culture supplements rational management:** within the organization creation of work culture is time- consuming process. Therefore, organization culture cannot suddenly change the behavior of people in an organization rather Culture communicates to people through symbols, values, physical settings, and language, and, thereby supplements the rational management tools such as technology and structure.
- **2.2.2.** Culture facilitates induction and socialization in the organization: induction is a process through which new entrants to an organization are socialized and indoctrinated in the expectations of the organization; its cultural norms, and undefined conduct. The newcomer takes in the culture of the organization, which may involve changing his / her attitudes and beliefs to achieving an internalized commitment to the organization.
- **2.2.3.** Culture promotes a code of conduct: a strong culture in an organization explicitly communicates modes of behavior so that people are conscious that certain behaviors are expected and others would never be visible. The presence of a strong culture would be evident where members share a set of beliefs, values, and assumptions which would influence their behavior in an invisible way.
- **2.2.4. Sub-culture contributes to organizational diversity:** sub-culture, and sub-systems of values and assumptions, which may be based on departmentalization, activity centers, or geographical locations, provide meaning to the interest of localized, specific groups of people within the macroorganization.

According to Schein (1999), organizational culture becomes more important because maximizing the value of employees as intellectual assets requires a culture that promotes their intellectual participation and facilitates both individual and organizational learning, new knowledge creation and application, and willingness to share knowledge with others.

Schien also suggests that organizational culture is even more important today than it was in the past. Increased competition, globalization, mergers, acquisitions, alliances and various workforce developments have created a greater need for coordination and integration across organizational units in order to improve efficiency, quality, and speed of designing, manufacturing, and delivering products and services product innovations. Maximizing the value of employees as intellectual assets requires a culture that promotes their intellectual participation and reasoning both individual and organizational learning, new knowledge creation and application, and the willingness to share knowledge with others.

## 2.3 Employee Performance

#### **2.3.1** Definition of Performance

The word performance can be used to describe different aspects such as societal performance, Organizational performance, employee performance, and individual performance etc. In the organizational context, performance is usually defined as the extent to which an organizational member contributes to achieving the goals of the organization. Employee's performance means the ability of employees to attain goals either personal or organizational by using resources efficiently and effectively (Daft,2000). Employee performance is originally what an employee does or does not and how those activities were executed. It plays an important role for organizational performance Employee performance at the workplace is a major concern for the organizations irrespective of all the factors and conditions. As such, employees are considered very important assets to their organizations (QureshiandRamay,2006). Good performance by employees of an organization leads to a good organizational performance which ultimately makes an organization more successful and effective and the vice versa (Armstrong, 2009).

Different Authors agreed on the concept of performance by differentiate between an action (i.e., behavioral) aspect and an outcome aspect of performance Campbell, 1990; Campbell, Mc Cloy, Oppler, & Sager, 1993; Kanfer, 1990; Roe, 1999). The behavioral aspect refers to what an individual does in the work situation and "Performance is what the organization hires one to-do, and do well" (Campbell et al., 1993, p. 40). Thus, performance is not defined by the action itself but by judgmental and evaluative processes (cf. Ilgen and Schneider, 1991.

Performance as a Multi-Dimensional Concept Performance is a multi-dimensional concept. Borman and Motowidlo (1993) distinguish between task and contextual performance. Task performance refers to an individual's proficiency with which he or she performs activities which contribute to the organizations technical core. This contribution can be both direct (e.g., in the case of production workers), or indirect (e.g., in the case of managers or staff personnel). Contextual performance refers to activities which do not contribute to the technical core but which support the organizational, social, and psychological environment in which organizational goals are pursued. Contextual performance includes not only behaviors such as helping coworkers or being a reliable member of the organization, but also making suggestions about how to improve work procedures.

- 2.3.1.1. Task performance: Task performance in itself is multi-dimensional. For example, among the eight performance components proposed by Campbell (1990), there are five factors which refer to task performance (cf. Campbell, Gasser, and Oswald, 1996; Motowidlo and Schmit, 1999): (1) job-specific task proficiency, (2) non-job-specific task proficiency, (3) written and oral communication proficiency, (4) supervision—in the case of a supervisory or leadership position—and partly (5) management/administration. Each of these factors comprises a number of sub factors which may vary between different jobs. For example, the management/administration factor comprises sub dimensions such as (1) planning and organizing, (2) guiding, directing, and motivating subordinates and providing feedback, (3) training, coaching, and developing subordinates, (4) communication effectively and keeping others informed (Borman and Brush, 1993).
- **2.3.1.2.** Contextual performance by itself is a multi-dimensional concept (Van Dyne and LePine, 1998). These behaviors include organizational citizenship behavior with its five components altruism, Conscientiousness, civic virtue, courtesy, and sportsmanship (Organ, 1988), someaspects of organizational spontaneity (e.g., helping coworkers, protecting the organization, (George and Brief, 1992) and of pro social organizational behavior (Brief and Motowidlo, 1986).
- 2.3.1.3. Relevance of individual performance According to (Van Scotter, Motowidlo, and Cross, 2000). Organizations need highly performing individuals in order to meet their goals, to deliver the products and services they specialized in and finally to achieve competitive advantage. Performance is also important for the individual. Accomplishing tasks and Performing at a high level can be a source of satisfaction, with feelings of mastery and pride. Low performance and not achieving the goals might be experienced as dissatisfying or even as a personal failure. Moreover, performance if it is recognized by others within the organization, it is often rewarded by financial and other benefits. Performance is a major although not the only prerequisite for future career development and success in the labor market. Although there might be exceptions, high performers get promoted more easily within an organization and generally have better career opportunities than low performers (VanScotter, Motowidlo, and Cross, 2000).

## 2.4 Factors Affecting Employee performance

The factors that affect employee performance in profit and non-profit organizations may differ but most of the time in nonprofit organization the factors originate from the employer organization or the socio-economic environmental Swanepoel et al (1998). These factors include performance evaluations, remuneration, organizational leadership style, technical training, and career movement. Those factors are described as follows.

#### 2.4.1 Performance evaluations or appraisals

An effective and good performance appraisal system can identify weaknesses and result in corrective actions being taken (Cheminais et al., 1998).as Cronje 2001; and Erasmus 2005) Explained the performance appraisal can also help to sustain contented workers through: The acknowledgement of individual employee performance, Remuneration options, Promotions and career movements, Structured training, and Disciplinary decisions. The researchers agreed on, constructive appraisal system can assist in motivating employees, as well as ensuring clear expectations and the desired actions needed to achieve organizational outputs.

#### 2.4.2 Remuneration

Remuneration can be defined as the financial and non-financial extrinsic or intrinsic rewards provided by an employer for the time, skills and effort made by employees in fulfilling job requirements aimed at achieving business objectives (Dowling et al., 2011, Swanepoel et al 1998). Cheminais et al., (1998) assert that there is a strong relationship between extrinsic or intrinsic remuneration and an employee's motivation. Armstrong and Murlis (2004) advocate a total or holistic reward approach by using multiple reward strategies such as "self-management, selfawareness, social awareness and relationship management within an organization in the pursuit of significantly raised performance". This approach complements Maslows theory of the hierarchy of needs in acknowledging different types of motivational needs within each individual as mentioned in section as asserted by Armstrong and Murlis (2004) and Globe (1970) monetary factors such as a high salary can inspire someone to be highly motivated only up to a certain extent. Beyond that, other "self-actualization" and motivational reasons such as recognition, status, greater individual growth or responsibility, which are referred to as intrinsic remuneration, may be required to keep an employee loyal and passionate about the organization they work for or their job in addition to extrinsic remuneration. Extrinsic remuneration (Armstrong and Murlis 2004; Cheminais et al., 1998 Cronje et al 2001) is normally related to the benefits received by the employee in addition to his or her actual jobs basic salary. This is further separated into financial rewards and non-financial rewards.

#### 2.4.3 Leadership style

The leadership style within an organization has a bearing on encouraging or inhibiting employee's performance (Armstrong and Murlis 2004; Cronje et al 2001). If management does not carefully analyze the needs of the organization and its employees, it may be difficult for the organization to understand the reasons why employees behave in a particular way. The researcher concludes that the perception and confidence in the organization's leadership can affect an employee's level of motivation in his or her work. An employee is likely to invest his or her future employment plans in an organization he or she perceives to have sound future prospects.

#### 2.4.4 Training Performance

Training Performance is a major multidimensional construct aimed to achieve results and has a strong link to strategic goals of an organization (Mwita, 2000). Better performance of the organization simply means the capability of the organization to achieve desired results or output more efficiently and effectively. Performance is related to measurable accomplishment or results that primarily address community needs and problems. Poor performance of employees in the organization is mostly due to lack of training and development of employees (Muhammad, 2009). As Muhammad (2009) explained the aim of training is to maximize employees learning of new skill, knowledge, attitudes and behaviors to cope with the demand of dynamic environments. These principles of employee training contribute to the overall organizational development which is a significant reason for organizations to encourage and promote this important human resource management functions (Hartel et al., 2007).

#### 2.4.5 Career movements

Career movements various options exist for employee career progression within an organization (Erasmus et al., 2005). These include: lateral moves within or outside of the organization, but at the same salary, grade level and benefits, vertical moves through promotion or demotion, diagonal moves within the same organization but across Similar or different disciplines and outward moves outside the organization, also known as separation. When employees are not sufficiently motivated, their work outputs and loyalty to the organization may be affected negatively. This shows the availability and frequency of the various career movements within the organization relate specifically to performance enhancement.

#### 2.4.6 Organization Culture

Organizational culture is a system of shared meaning and beliefs held by organizational members of an organization that distinguishes the organization from other organizations (Robbins, 2001) In light of this definition, different organizations can be regarded as having their own cultures, which affect or influence the attitudes and the behaviors of their employees. (Flamholtz, 2001).

A positive and strong culture can make an average individual performance and achieve brilliantly whereas a negative and weak culture may demotivate an outstanding employee to underperform and end up with no achievement. Therefore, organizational culture has an energetic and express role in performance of employee.

The above employee performance affecting factors are mostly the factors which affect the employees' performance in nonprofit organization, so the researcher used as employee performance variables in the study because Ethiopian Road Authority is nonprofit organization and the researcher believes that, those factors are fit with the nature of the Authority.

#### 2.5 Theoretical Review

The theoretical review will cover the below theories related to performance and organizational culture. This study is based majorly on the Consistency Theory, Involvement Theory, mission theory and Adaptability Theory. Other theory discussed are; the Schein's theory of organizational culture, Theory X and Theory Y by McGregor, and the theory of Open-Book Management by John Stack. Theories of organizational culture attempt to explain the phenomena that occur in and around individuals. The conceptual study regarding organizational culture is often called the phenomenon of interest. Rather than a mathematical formula, the study of organizational culture includes shared understanding, intangible values and assumptions, and the effects culture has on human behavior. Understanding the phenomenon of organizational culture allows companies to strengthen their working environments.

The study of theories of organizational culture is often difficult due to the lack of concrete evidence on various cultures. A shared understanding of organizational culture is one of the different theories among private and public sector organizations. Individuals in a company often hire like-minded individuals in order to promote a specific, well-defined purpose. Theories on organizational culture typically have different overall corporate mind-sets, such as ethics, profits, or philanthropy. The shared characteristics only change through time when hiring managers replace older workers (Ojo, 2008)

#### 2.5.1 Consistency Theory:

According to the consistency theory, organizations have a propensity to be effective because they have strong cultures that are highly consistent, well-coordinated and well integrated (Davenport, 1993; Saffold 1988). Employee behavior is embedded in a set of core values and leaders and followers are skilled at getting an agreement even when they have differing views (Blois, Cook &HunSaker(2007). This type of consistency is a powerful source of stability and internal incorporation that results from a familiar attitude and a high degree of consistency (Senge, 1990).

#### 2.5.2 Involvement Theory:

This theory is based on the thought that involvement and sharing will contribute to a sense of responsibility and ownership and hence organizational performance and loyalty (Baker, 2002). Effective organizations empower their people, build their organizations around teams, and develop human capability at all levels (Beker 2004). Executives, managers and employees are committed to their work and feel that they own a piece of the organization. People at all levels feel that they have at least some inputs into decisions that will affect their work and that their work is directly connected to the goals of the organization.

#### 2.5.3 Adaptability Theory:

This theory is based on the idea that norms and beliefs that enhance an organization's ability to receive, interpret and translate signals from the environment into internal organizational and behavioral changes will promote its survival, growth and development. Ironically, organizations that are well integrated are often the most difficult ones to change due to the deep levels of adaptability acquired over time (Kanter, 1993). Adaptable organizations are driven by their customers, take risks and learn from their mistakes and have the capability and experience at creating change (Nadler, 1998; Senge, 1990). Such organizations are continuously changing their systems to promote improvements and provide value for their customers (Stalk, 1988).

#### 2.5.4 Mission Theory:

A shared sense of purpose, direction and strategy can coordinate and stimulate organizational members toward collective goals (Baker, 2004). Successful organizations have a clear sense of purpose and direction that defines organizational goals and strategic objectives and expresses a vision of how the organization will look in the future (Mintzbert, 1994). When an organization underlying mission changes, changes also occur in other aspects of the organizations culture (Ahmad, 2012).

## 2.6 Empirical Review on Organizational Culture and Employees Performance

Organizational culture and Employees Performance are the most extensively researched about concepts in management studies, yet the many researchers investigated the relationship between organizational culture and performance. Therefore, be made to review some representative studies for the theories discussed in the previous section.

Aluko (2013) examined that there a significantly positive relationship between organizational culture and employee's performance, and found that and organizations and its employees were not performing and working together very well because of weak culture. The organizations weak culture may cause lack of involvement, consistency, adaptability, and mission.

#### **2.6.1** Involvement and Employee performance

A study conducted by Nongo and Ikyanyon (2012) found a significant and positive relationship between involvement and performance. This means that employees are performed to their organizations when they are involved in decision making. The key success factors for organizations today are employee empowerment, teamwork, and employee development. These enable managers and employees more performed to work and feel that they own a piece of the organization. People at

all levels feel that they have at least some inputs into decisions that will affect their work and that their work is directly connected to the goals of the organization.

Similarly, Singh and Verghese (2015) investigate the impact of employee empowerment; a process in which power is transferred from the managers to their subordinates, on organizational culture. The researcher found out that there is a significant positive relationship between employee empowerment and organizational culture. Seeking suggestion from employees, listening to their grievances and by involving them in the decision-making process of the organization to a certain extent can ensure employee's continuous involvement thus employees feel to be participative in the organization.

Furthermore, Asghar, Mojtaba and Sadeghi (2015) Involvement is one of the most important dimensions of organizational culture and it has great role in fulfillment of employee's performance of teachers. This shows that people participation in work helps their intention to stay in work space. The employees" Involvement means using them in decision making and this leads to the stability of their performance.

## 2.6.2 Consistency and Employee Performance

Nongo and Ikyanyon (2012) found out that there was no significant relationship between consistency and performance. As much as organizations try to maintain a strong culture by being highly consistent, well-coordinated, and well-integrated, this does not impact significantly on the level of employee performance. In other words, employees prefer to be given the freedom to do the job rather than being compelled to do it in a rigid manner. Hence, the researcher concludes that the key success factor for organizations today is flexibility rather than consistency.

To the contrary, research finding by Asghar, Mojtaba and Sadeghi (2015), Ghaderand Afkhami (2014) revealed that there is positive relationship between consistency and organizational culture in which coordination and integration, agreement and fundamental values as a component of consistency increase employee performance to provide efficient and effective work. Similar, Hakim (2015) asserted that an indicator of the most powerful in shaping the organizational culture variable is stability (consistency). It means that, cultural values that received the most attention in the activities of the organization, which emphasizes the maintenance of the status quo as a contrast to the growth will have positive effect on employee's performance.

#### 2.6.3 Adaptability and Employee performance

Adaptability predicts employee performance more than any other corporate cultural variables. Employees are more performed to organizations that adapt to changing circumstances. Companies

should encourage innovation and teamwork among employees. This will enable employees adapt in an environment of change, thereby improving their level of performance. (Nongo&Ikyanyon, 2012)

Similarly, employees exhibited the highest organizational culture when they perceived higher learning culture (adaptability dimensions) which includes culture of creating, acquiring, and transferring knowledge and also quickly react to current trends, and anticipate future changes. (Ghader&Afkhami (2014), Azadi, Bagheri, Eslami and Aroufzad (2013)

#### 2.6.4 Mission and Employee performance

According to Denison and Neale (2011) mission provides purpose and meaning by defining a social role and external goals for the organization. And also, mission provides clear direction and goals that serves to define an appropriate course of action for the origination and its members which result the increase in level of employee performance to the organization.

To the contrary, Nongo and Ikyanyon (2012) found no significant relationship between mission and performance. This means that employees" identification with the purpose, mission, and goals of the organization does not bring performance to the organization. But companies should define the mission of their organization clearly and communicate same to employees at all times.

There were also empirical evidences found in organizational culture and Organizational Performance, conducted in Ghana University by Mariama (2013) and applied organizational culture and Performance variables were measured using five-point Likert scale and using the Denisons Organizational Survey Instruments. The researcher reached to a conclusion that there was a positive relationship between Organizational Culture and Performance in the case of banking Industry in Ghana. Among the Organizational dimensions, Mission was the Culture Dimension with the strongest potential of impacting positively on Performance.

Similarly, a researcher Omorodion (2017) made an analysis on the extent of influence of organizational culture on selected Nigerian banks and the findings were confirmed that there is a high level of relationship between organizational culture practices and employee's performance in the Nigerian banking sector. Organizational culture dimensions all had positive effects on employee's performance.

Thus, all of the aforementioned empirical studies have increased the confidence level of the researcher that the effect of organizational culture is highly influential factor that can best enhance employee performance.

## 2.7 Conceptual Framework

The Denison model allows studies to reveal the underlying belief and assumptions in recognizable and measurable ways that impact performance management. In this model there are four general dimensions named Mission, Adaptability, Involvement and Consistency. Denisons model suggests that organizations with a higher combined measure of the four culture dimensions show higher levels of performance which itself is the result of employee performance.

Denison (2011), has developed a model which highlights four key organizational culture dimensions and the unique future of these model is that it is behaviorally based, designed and created within the organization environment and it also uses Organization language to explore business-level issues. Moreover, the model depicts the correlation between cultural dimensions and organizational effectiveness measures which includes employees' satisfaction, return on investment, product development etc. Accordingly, he found that nearly all of the underlying organizational dimensions showed significant and positive correlation with organizational effectiveness.

Therefore, Denison model of organizational culture was a base to select the four cultural dimensions emphasized under this study and modified to see the effect of the four cultural dimensions on employee performance. The modified framework is shown below:

Independent Variables

INVOLVEMENT
CONSISTENCY
ADAPTABILITY
MISSION

Dependent Variables

EMPLOYEES PERFORMANCE

1Fig. 2.1 Conceptual Framework

Source: Daniel Denisons Model of Organizational Culture

#### **CHAPTER THREE**

#### 3 RESEARCH METHODOLOGY

This chapter deals with the research design, source of data, target population, Sampling design and sample size, data collection instruments, methods of data analysis of the study. Moreover, Validity and Reliability of the instrument and ethical consideration are discussed in detail.

#### 3.1 Research Design

The objective of this study was to examine the organizational culture and its relationship with employees" performance in Ethiopian Road Authority. In order to achieve the study objectives, the researcher used descriptive research design in determining their relationship. A research design provides the framework to be used as a guide in collecting and analyzing data (Cooper and Schindler, 2001). The researcher used a descriptive and explanatory research design that was triangulated with both qualitative and quantitative tools of analysis. A descriptive and explanatory design was used because it helps describe characteristics associated with the subject population and explain the variables that exist between independent variable and the depended variable. The organizational culture is independent variable and employee performance is dependent variable that depends on the organizational culture of the authority in order to facilitate the explanation of the usual cultural type and its effects on performance of ERA employees (Cooper and Schindler, 2003).

## 3.2 Research Approach

The researcher used both qualitative and quantitative research approach by examining the relationship among the variables. So that numbered data was analyzed using quantitative data analysis. The research conducted through descriptive research method with a quantitative approach to obtain sufficient data. The researcher also utilized the survey strategy for this study because it creates room for gathering large amounts of data from a sizeable population in a cost-effective manner. The researcher used a likert scale to measure the respondents' perception. Because it helps to answer the research question and examine the effect of organizational culture to employee performance. According to Brian Allison, (1995), a large proportion of all research is descriptive research. In a very real sense, description is fundamental to all research.

#### 3.3 Target Population

According to Babbie & Mouton (2006), the population for a study is the group usually of people about whom we want to draw conclusions. As per the Head Count Analysis report from Human Resource Management department of Ethiopian Road Authority, there are a total of 3,345 employees working for the organization as of December 31, 2019, as shown in the table below.

1.Table 3.1: Employees Located in Ethiopian Road Authority as of December, 2019

Location	Male	Female	Total
ERA	2235	1110	3345

Source: Ethiopian Road Authority Employee Census December, 2019

The researcher groups Ethiopian Road Authority employees as Professional and Non-professional employees. Professional employees refer to employees who have supervisory or administrative exposure in the Organization. Therefore, a response from each diverse professional employee on the relation between organizational culture and employee's performance enables to have more reliable data. On the other hand, those employees who are engaged in low level tasks with limited or no administrative exposures in the organization were labeled as Non-professional employees. Hence, these employees were not part of this study due to the fact that they have limited or no involvement in Administrative matters.

2. Table 3.2: Professional Employees Located in Ethiopian Road Authority as of Dec, 2019

Profession	Number of Employees	Percentage
Engineering Directorate	493	43%
IT Directorate	80	7%
Corporate Finance Directorate	263	23%
Economist Directorate	137	12%
Legal Affairs Directorate	69	6%
Procurement Directorate	103	9%
Total	1145	100%

Source: Ethiopian Road Authority Employee Census December, 2019

Therefore, among the employees who are located at head office in Ethiopian Road Authority 1145 professional employees were the target population for this study.

## 3.4 Sampling Design and Sample Size

The sample for the study was selected using stratified systematic sampling and simple random sampling technique using the directorate in Ethiopian Road Authority as a directorate. Stratified sampling was used to distribute the survey questionnaires to acquire employee perception towards organizational culture and their performance to the organization. Stratified sampling was also considered in order to ensure the sample includes representative study units from each levels or directorates.

Out of the total employee of Ethiopian Road Authority, the study focused on professional staffs who located at Head Office as the questionnaires need higher level of literacy of understanding and it was difficult to access staffs out of Head Office due to Geographical location.

Thus, as shown on the above table, the target populations for the study (1145) were professional employees who are located at Head Office. Accordingly, the researcher used confidence interval level of 95%, which is the level of certainty whether the response for each question is the true answer or not. 5% margin of error is the amount of error from difference in the responses the researcher can tolerate when drawing a conclusion from the data.

The sample size was determined by applying the following sample size calculation formula:

$$n=\underline{N}$$
 , where  $1+N$  (e)2  $n=$  Required sample size  $e2=$  error rate which is  $0.05$   $N=$  Target population  $N=$  1145, therefore;  $n=\underline{1145}=\underline{296}$   $1+1145(0.05)2$ 

Therefore, 296 was the representative sample size of the target population for the subject study. The table below shows the sample size distribution which was used to distribute the representative sample size (296) to each division

3. Table 3.3: Sample Size Distribution

Percentage	Sample Size distribution
48%	142
8%	23
31%	92
6%	18
4%	12
3%	9
100%	296
	48% 8% 31% 6% 4% 3%

Source: Ethiopian Road Authority Employee Census December, 2019

## 3.5 Data Type and Source of Data

The researcher used both primary and secondary data to conduct the study. The primary data was collected through the use of questionnaire. The main secondary sources of data were; books, articles or journals from the library and from websites.

#### 3.6 Method of Data Collection

For this research, the primary data was collected through the use of self-administered questionnaire from Professional Ethiopian Road Authority employees who were located at Head Office. After identifying the sample respondents, the questionnaire was provided to them by the researcher and enough time has been given to respond on all of the items in the questionnaire carefully. The questions in the questionnaire were closed-ended or structured with pre-determined 5-point Likert scale for response in order to ease the process of analyzing the data from the respondents.

According to Babbie & Mouton (2006), the use of questionnaires is advantageous because questionnaires are economical, speedy, there is no bias (as in interviewee: interviewer bias), and the possibility of anonymity and privacy encourages participants to be willing to respond on sensitive issues, and do so honestly. The questionnaire is preferred because it translates the research objectives into specific questions that were asked to the respondents.

The Research Questionnaire used in this research consists of three (3) sections:

- The biographical information section;
- The organizational culture section; and
- The employee performance section.

## 3.7 Methods of Data Analysis

Data was collected through questionnaire and it was analyzed and interpreted quantitatively which will be further organized and treated with different statistical techniques. Descriptive statistics, such as frequency count, percentages, mean and standard deviation were calculated to show the current dominant culture of the Authority, the preferred culture of the authority; and the employee performance variables based on the percentage of respondents. The data was entered into SPSS in order to draw simple tabulations to describe the demographic characteristics of the respondents. In addition to this to see the effects of organization culture and employee performance variables on employee performance the researcher used Pearson correlation in order to explain the relationship between the variables, dependent (employee Performance) and the independent (Organizational culture). Pearson correlation allows us how well variables are related, their strength and direction of the linear relationship and regression analysis was conducted to examine the effect of organizational culture on employee performance.

## 3.8 Reliability and Validity

In order to achieve the objective of the study the researcher checked validity and reliability. Validity concerns with the degree to which a question measures what it is intended to measure. To assure the validity of the study, the researcher took comments from the advisor and also discussed with Ethiopian Road Authority senior management staffs about the questionnaires before it was distributed. Reliability was also checked for the survey instrument so the researcher tested the reliability of the questionnaire by using Cronbachs Alpha. Therefore, the SPSS result shows that the questionnaire's reliability is .898.

4. Table 3.4: Result of Reliability Test for the Questionnaire

Cronbach's	N of Items
Alpha	
_	
.898	45

Source: Questionnaire and SPSS output (2021)

#### 3.9 Ethical Considerations

In order to effectively conduct this research, the following ethical issues has been considered. Accordingly, the willingness of the selected respondents in providing the necessary data has been assured. It may not be ethical to ask employees to answer questionnaires while they are at their duty station. Therefore, longer time should be given to respondents so that they can either take the questionnaire to their home or use their break time. Respondents are not forced to respond questions which they don't like to respond. They are informed that the study used for academic purposes. Any respondent's responses are respected and ethically included in the report. The participants have been assured that the data sought from the respondents has been kept confidential and the information related to the participants were not used other than that of the academic and research objectives; thus, no violate of confidentiality take in place.

#### **CHAPTER FOUR**

#### 4 DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter deals with the analysis and interpretation of the data collected from the employees of ERA, based on the frame of this thesis and it was done in two sections;

- the first section of analysis presents descriptive statistics of respondents in terms of their demographic characteristics and
- the second section of analysis deals with inferential statistics which comprises subsections

## 4.1 Response Rate

A total of 296 questionnaires were distributed to the target population, 272 of them replied with answers, making the percentage of respondents 92%.

## 4.2 Demographic Information of the Respondents

The demographic profiles of the study sample have been described using descriptive statistics and also different inferential statistics were employed in order to analyze data obtained from the survey. Accordingly, standard multiple regressions were used to achieve the study objective that focuses on identifying an organizational culture dimension with higher contribution to the dependent variable. This section analyses the respondent's characteristics of 272 respondents who returned valid questionnaire for the study. Descriptive statistics was done using frequency counts and percentage for demographic information such as gender, educational qualification, job category and years of service at ERA. The result of the analysis is presented in Tables below:

5. Table 4.1: Demographic Profile of Respondents

	Gender	Frequency	Percent
1	Male	144	52.9
	Female	128	47.1
	Age Group	Frequency	Percent
	20-29	109	40.1
	30-39	104	38.2
	40-49	34	12.5
	50 and above	25	9.2
	Marital status	Frequency	Percent
3	Single	121	44.5
3	Married	144	52.9
	Divorce	7	2.6
	Education level	Frequency	Percent
	Diploma/ Level IV	26	9.6
4	First degree	157	57.7
	Masters and above	84	30.9
	Others	5	1.8
	Service Year	Frequency	Percent
	2-5 year	125	46
5	6-10 year	82	30.1
	11 15 year	39	14.3
	11-15 year	37	17.5
	Above 15 years	26	9.6
6	Above 15 years	26	9.6
6	Above 15 years  Job Category	Frequency 26	9.6 Percent

Source: Questionnaire and SPSS output (2021)

Based on Table 4.1 the demographic profile of 272 respondents. In terms of gender, respondents were roughly proportionate between male and female, even though the numbers of male respondents are a little higher than female (female 47.1%, male 52.9%).

Based on Table 4.1 the demographic profile of Regarding the age of respondents, within the age group of 20-29 years old emerged with the highest number of participants at 40.1%. Moreover, 38.2% of the respondents fall under the age category of 30-39 years and 12.5% are in the age range of 40-49 years. The remaining 9.2% falls under the age group of 50 years and above. This implies that almost 79% of the employees were within the age range of 20 and 39 and may indicate that the organization is composed of young workforce with a capability to bring the desired corporate culture at ERA.

Based on Table 4.1 the demographic profile of the marital status of the employees who participated in the survey indicate that 52.9% of respondents are married, where as 44.5% are single and 7% of respondent are divorce. As most studies indicated that married employees are more effective in their

work and ready to accept challenging assignments and building a strong working culture with married employees is somehow easy for the organization than single ones.

Based on Table 4.1 the demographic profile of the composition of respondents across education level shows that the highest percentage of respondents (57.7%) hold first degree, next (30.9%) are Masters and Above, (9.6%) of the respondent were Diploma/Level IV and the rest respondent (1.8%) were others. This implies that almost 89% of the respondents are first degree and masters & above may indicate that a good opportunity for the organization as this workforce can easily adapt new changes, technological innovations and flexible and trainable mindset so that the organization can have an opportunity to create a strong organizational culture.

Based on Table 4.1 the demographic profile in terms of years of experience, 46% have 2-5 year of service, 30% have 6-10 years of service, 14 % have above 11-15 years of experience and the remaining 9.6% have above 15 years of experience. This information implies that the respondents were employees who served ERA for less than 5 years and this shows that there was relatively younger workforce group in the case organization, Ethiopian Road Authority.

Based on Table 4.1 the demographic profile of the employment group of the respondent who participated in the survey was indicated that the majority of the respondents (85.7%) were in non-management group and the remaining (14.3 %) of the respondents were management position holders which include Lead, Team Leaders, Managers and Directors.

# 4.3 Descriptive analysis on organizational culture measures

With the aim of understanding the existing organizational culture at Ethiopian Road Authority employees were asked to give their extent of agreement to the statements with regard to the four organizational culture dimensions, hence, the respondents were asked to rate how they felt about the organizational culture dimensions of Involvement, Consistency, Adaptability and Mission on their performance in a five point Likert scale were then analyzed with descriptive statistics of mean score and standard deviation. The data collected from the questionnaires were analyzed quantitatively. The questionnaire was a closed ended. It should be noted that the questions were opinion based which seek to find out views, opinions and perceptions of respondents.

The standard deviation measures how concentrated the data are around the mean; the more concentrated, the smaller the standard deviation and according to Zaidaton & Bagheri (2009) the mean score below 3.39 was considered as low, the mean score from 3.40 up to 3.79 was considered as moderate and mean score above 3.8 was considers as high. A 5-point Likert scale was used to rate the various indicators whereby 1 point was accorded to 'Strongly disagree', 2 points as 'Disagree', 3-point as 'Neutral', 4-point as 'Agree', and 5-point as 'Strongly Agree'. Thus, detail of the mean value and standard deviation value for each variable were presented together as follows:

# 4.3.1 Descriptive analysis on involvement

In this section, the responses of the respondents on the dimension of organizational culture, i.e., Involvement, were evaluated as below,

6. Table 4.2: Means and Standard Deviations for Involvement

Variables	N	Mean	Std. Deviation
In my org decisions are usually made at the levels where right information is available	272	3.64	.907
Info. is widely shared with my org so that employees can get the info. they need	272	3.56	.992
Everyone in ERA believes that he/she can have a positive impact	272	3.38	.979
In my opinion the authority norms are actively encouraged corporation teamwork and participation	272	3.81	.794
I believe that work is organized so that each person can see the r/s b/n his/her job and goals of the org.	272	3.57	.926
ERA develops its employees' human capability at all level	272	3.73	1.162
ER has a direction on making continuous investment in the skill of employee	272	3.72	1.029
INVOLVEMENT		3.63	0.970

Source: Questionnaire and SPSS output (2021)

Table 4.2, In regard to Involvement culture, the authority norms actively encouraged corporate teamwork and participation the highest mean (Mean=3.81, SD=.794) and the lowest mean i.e., Believes that he/she can have a positive impact, scoring (Mean=3.38, SD=.979) which indicates that respondents believe that the organization norms actively encourage corporate teamwork and participation.

# 4.3.2 Descriptive Analysis on Consistency

In this section, the responses of the respondents on the dimension of organizational culture, i.e., Consistency, were evaluated as below

7. Table 4.3: Means and Standard Deviations for Consistency

Variables	N	Mean	Std. Deviation
ERA has a clear and consistent set of the values that indicates the way I do my work	272	3.51	.953
My boss always shows me in practice what she/he is saying in word	272	3.31	.994
There is an ethical code that guides my behavior and tells the right and the wrong	272	3.49	.850
D/f dept. and division. of my org. are able to work together well to achieve common goal	272	3.76	.756
In my opinion it is easy to reach consensus even on difficult issues	272	3.45	.858
I think ERA has Strong Organizational Culture	272	4.04	.977
It is to coordinate projects across d/f parts of the org.	272	3.44	.771
There is good alignment of team goal with the authority strategic objectives mission and vision	272	3.78	.861
CONSISTENCY		3.60	0.878

Source: Questionnaire and SPSS output (2021)

Based on Table 4.3, in regards to consistency dimension, ERA has Strong Organizational Culture scores of the highest mean (Mean=4.04 SD= .977) and the boss always show in practice what she/he is saying in word scores the lowest mean (Mean=3.31, SD=.994) which indicates there is lack of practice to show what she/he say in a word. On the other hand, ERA has Strong organizational culture

# 4.3.3 Descriptive Analysis on Adaptability

In this section, the responses of the respondents on the dimension of organizational culture, i.e., Adaptability, were evaluated as below

8. Table 4.4: Means and Standard Deviations for Adaptability

Variables	N	Mean	Std. Deviation
The way things are done in ERA is very flexible and easy to change	272	3.26	.815
In my org. new and improved way to do work are continually adapted	272	3.43	.942
Partner input directly influences org. decision	272	3.31	.873
Employee in ERA have a deep understanding of partners wants and needs	272	3.09	.872
In my org. Innovation and risk taking are encouraged and rewarded	272	3.06	.889
Learning is an important objective in a day-to-day work of the org.	272	3.75	.970
ERA view failures as an opportunity for learning and improvement	272	3.01	1.045
ADAPTABILITY		3.27	0.915

Source: Questionnaire and SPSS output (2021)

According to Table 4.4, Adaptability dimension Learning is an important objective in a day-to-day work of the organization scores the highest mean (Mean=3.75, SD=.970) and the lowest mean score the view failures as an opportunity for learning and improvement, scoring (Mean=3.01, SD=1.045) which indicates that respondents believe that there is less improvement of learning from failures. For this evaluation of the dimension almost all indicator of adaptability has low mean that indicates the culture dimension of adaptability is low values in the organization.

# 4.3.4 Descriptive Analysis on Mission

In this section, the responses of the respondents on the dimension of organizational culture, i.e., Mission, were evaluated as below

9. Table 4.5: Means and Standard Deviations for Mission

Variables	N	Mean	Std. Deviation
In my org. there is a clear mission that gives meaning and direction to work	272	3.89	.931
My org. strategic direction is clear to me	272	3.71	.991
In my org. the leaders set a goal that are ambitious but	272	3.42	.930
realistic			
In my org. we continuously track our progress against our	272	3.31	1.052
stated goals.			
There is widespread agreement about the goals of my org.	272	3.59	.888
I have a shared vision of what my org. will look like in the	272	3.61	.954
future			
In my org. leaders have a long-term view point	272	3.66	.966
My org. vision crates pleasure and motivation for me	272	3.72	.992
MISSION	272	3.61	0.963

Source: Questionnaire and SPSS output (2021)

According to Table 4.5, Mission dimension. a clear mission that gives meaning and direction to work scores the highest mean (Mean=3.89, SD=.931) In my organization we continuously track our progress against our stated goals scores the lowest mean (Mean=3.31, SD=1.052), The lowest mean indicate that respondents believe that there is lack of continuous track on progress against the stated goals.

# 4.3.5 Descriptive Analysis on Employees' Performance

In this section, the responses obtained from the sample employees through the structured questionnaire on employees" performance were discussed below. Fifteen items were included on the survey questionnaire to measure employees" performance.

10. Table 4.6: Descriptive analysis on employees' performance

10. Table 4.6: Descriptive analysis on employees' perform Item	N	Mean	Std. Deviation
My job allows me to make use of my skills and abilities	272	3.71	.860
I get a sense of personal accomplishment from my work	272	3.90	.887
I have a complete knowledge and understanding while	272	3.57	1.101
performing my task			
I perform my work to the expected standards	272	3.76	.896
I understand how my performance is evaluated	272	3.49	.893
I think that the org. has good performance appraisal system	272	2.99	1.090
I understand the link b/n my performance my pay	272	2.81	1.096
My org. gives emphasis to workers devp. through training	272	3.61	1.188
and other mechanism			
I receive regular performance review	272	3.21	1.072
My org. examines targets gives for employees or teams	272	3.25	.994
against the planned objective			
I believe that my org. has good r/s style (leader with employee)	272	3.61	.989
	272	3.45	1 022
I trust the feedback I receive from my team leader			1.022
I am able to judge a given work situation and respond to it	272	3.82	.711
I am able to manage my time and allocate resources	272	3.77	1.097
effectively			
As an employee I give the highest priority and support to meet the needs of partner and to solve their problems	272	3.73	1.041
EMPLOYE PERFORMANCE	272	3.51	0.996
EMI LOTE I ENTONMANCE	212		

Source: Questionnaire and SPSS output (2021)

As depicted on the above table, employees to get a sense of personal accomplishment from their work score the highest mean (Mean=3.90, SD=.887) but employees understand the link between the performance and pay scores the lowest mean (Mean=2.81, SD=1.096), and I think that the organization has good performance appraisal system also scores lowest mean (Mean=2.99, SD=1.090), implies that the responses are mostly to agree on to get sense to accomplishment from their own work from statement which inquires the level of employees willing to put in a great deal of effort beyond the normal expected, in order to help the organization to be successful.

# 4.4 Relationship between Organizational Culture and Employee Performance

Pearson correlation was used to explore relationships between the explanatory variables, specifically to assess both the direction (positive or negative) and strength of the relationship between the explanatory variables. This study sought to establish whether there were significant associations between Organizational Culture (Involvement, Consistency, Adaptability and Mission) and Employee performance.

The Researcher first checked reliability statistics before making correlation analysis because reliability is essentially the dependability of an instrument to test what it was designed to test. Reliability refers to the consistency and dependability of a measuring instrument; using it repeatedly should give us the same or similar results every time. Reliability can range from 0 to 1.00, but the reliability of measures of human traits and behaviors never quite reaches 1.00. Some very good achievement tests may reach .98. From the collected data the researcher got reliability value 0.928 so that it was acceptable to perform correlation analysis.

# 4.4.1 Correlation Analysis

Pearson correlation coefficients reveal magnitude and direction of relationships (either positive or negative) and the intensity of the relationship (-1.0 to +1.0). Correlations are 40 perhaps the most basic and most useful measure of association between two or more variables (Marczyk, Dematteo & Festinger, 2005).

As per Marczyk, Dematteo and Festinger, (2005) correlations of .01 to .30 are considered small, correlations of .30 to .70 are considered moderate, correlations of .70 to .90 are considered large, and correlations of .90 to 1.00 are considered very large. Accordingly, the below Pearson correlation coefficients shows that the four factors measuring organizational culture were all positively related with employee's performance within the range of 0.598 to 0.851, all were significant at p<0.01 level. All the independent variables i.e., involvement, consistency, adaptability and mission show a moderate level of positive relation with the dependent variable (employees' performance)

11. Table 4.7: Correlation Analysis Matrix

	Employee				
Pearson Correlation	Performance	Involvement	Consistency	Adaptability	Mission
Employee's	1.000	.774	.760	.598	.851
performance					
Involvement		1.000	.772	.523	.774
Consistency			1.000	.685	.811
Adaptability				1.000	.658
Mission					1.000

Source: Questionnaire and SPSS output (2021)

Regarding the relationship among the independent variables, table 4.7 clearly shows that the variables are significantly correlated with each other (sig. level p<0.01). Furthermore, the results indicate that Mission dimension (r=0.851; p<0.01), followed by moderate positive correlation with the three remaining organizational culture dimensions: Involvement dimension with (r=0.774; p<0.01), Consistency with (r=0.760; p<0.01) and Adaptability (r=0.598; p<0.01). From this correlation, it can be concluded that due to availability of good practice of mission culture in ERA, enhances the practice of employee performance at ERA.

# 4.5 Diagnosis Test

Before applying regression analysis, some tests were conducted in order to ensure the appropriateness of data to assumptions regression analysis.

# 4.5.1 Linearity Test

Linearity refers to the degree to which the change in the dependent variable is related to the change in the independent variables. To determine whether the relationship between the independent variable organizational culture (Involvement, Consistency, Adaptability and Mission) and the dependent variable i.e., Employees performance linear; plots of the regression residual through SPSS software had been used.

Normal P-P Plot of Regression Standardized Residual

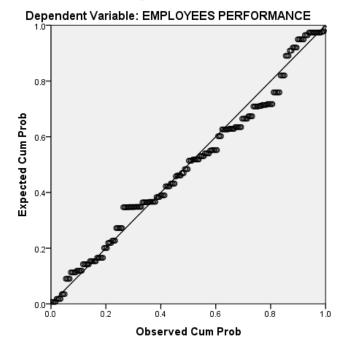


Figure 4.1: Normal Point Plot Standardized Residual Source: Questionnaire and SPSS output (2021)

The scatter plot of residuals shows no larger difference in the spread of the residual as you look from left to right on figure 4.1. This result suggests the relationship we are trying to predict is linear. Similarly, the above figure shows the normal distribution of residuals around its mean of zero. Hence the normality assumption is fulfilled as required based on the above figure, it is possible to conclude that the inference that the researcher made about the population is somewhat valid.

# **4.5.2** Normality Test

Figure 1 shows the frequency distribution of the standardized residuals compared to a normal distribution. Although, there are some residuals (those occurring around 0) that are relatively far away from the curve, many of the residuals are fairly lose. Moreover, the histogram is bell shaped which led to infer that the residuals are normally distributed.

# Histogram Dependent Variable: EMPLOYEES PERFORMANCE

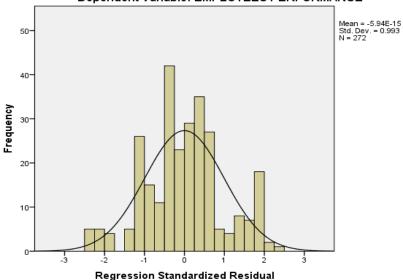


Figure 4. 2: Frequency Distribution of Standardized Residual

Source: Questionnaire and SPSS output (2021)

# 4.5.3 Multicollinearity Test

After the normality of the data in the regression model was met, the next step to determine whether there is similarity between the independent variables in a model, it is necessary to multicollinearity tests. Similarities between the independent variable will result in a very strong correlation. In addition, multicollinearity tests done to avoid habits in decision making process regarding the partial effect of independent variables on the dependent variable. Test multicollinearity as a basis the VIF values of multicollinearity test results using SPSS.

12. Table 4.8: Multicollinearity Test Coefficients

	Model	Collinearity Statistics		
		Tolerance	VIF	
	(Constant)			
	Involvement	.336	2.979	
1	Consistency	.253	3.954	
	Adaptability	.493	2.030	
	Mission	.268	3.734	

a. Dependent Variable: Employees Performance Source: Questionnaire and SPSS output (2021)

Based on the coefficient output-Collinearity statistics, obtained VIF value of independent variable i.e., Organizational Culture: Involvement (2.979), Consistency (3.954), Adaptability (2.030), Mission

(3.734). The values obtained from collinearity statistics (VIF) was between 1 and 10. Therefore, it can be concluded that there are no multicollinearity symptoms between the components of the independent variables.

Thus, from an examination of the information presented in all the three tests the researcher concluded that there are no significant data problems that would lead to say the assumptions of classical linear regression have been seriously violated.

# 4.6 The effect of Organizational Culture on Employees Performance

# 4.6.1 Regression Analysis

Regression analysis is a systematic method that can be used to investigate the effect of one or more predictor variables on dependent variable. That is, it allows us to make statements about how well one or more independent variables predict the value of a dependent variable. The regression model presents how much of the variance in employee performance is explained by the selected organizational dimensions: involvement, consistency, adaptability and mission. As shown on the table below,

13. Table 4.9: Regression model summary:

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.873ª	0.762	0.758	0.352	1.953

a. Predictors: (Constant), mission, adaptability, involvement, consistency

b. Dependent Variable: Employees Performance

Source: Questionnaire and SPSS output (2021)

The strength of the relationship is based on the R statistic, which in a simple two variable regression is the same as the correlation coefficient. In this case, the R statistic is .873, indicating a very strong relationship.

Recall that we evaluate the strength of the relationship using the rule of thumb for interpreting R:

- Between 0 and  $\pm 0.20$  Very weak
- Between  $\pm 0.20$  and  $\pm 0.40$  Weak
- Between  $\pm 0.40$  and  $\pm 0.60$  Moderate
- Between  $\pm 0.60$  and  $\pm 0.80$  Strong

Between  $\pm 0.80$  and  $\pm 1.00$  - Very strong

R-squared is measured the goodness of fit of the variables in explaining the variation in ERA measures the variable Predictor: (Constant), Involvement, Consistency, Adaptability and Mission. As clearly described in Table 4.13 adjusted R-square value for the regression model was 0.758, this indicates the variables in this study explain 75.8 percent of the variation in employee's performance The remaining 24.2 percent of the variation in employee's performance in ERA are explained by other variables which are not included in the model. Therefore, involvement, consistency, adaptability and mission are good explanatory variables of Employee Performance.

In addition, the Durbin-Watson statistic is used to test for independent of residuals. The value of the Durbin-Watson statistic ranges from 0 to 4. As a general rule, the residuals are independent (not correlated) if the Durbin-Watson statistic is approximately 2, and an acceptable range is 1.50 - 2.50. In this case, Durbin-Watson is 1.953, close to 2 and within the acceptable range. We can assume independence of residuals.

# 4.6.2 Regression ANOVA

The regression ANOVA when doing regression analysis, we determine whether or not there is a relationship between the independent variable and the dependent variable by examining the significance of the regression in the ANOVA table.

The probability of the F statistic for the regression analysis is 0.000, less than the level of significance of 0.05. The regression ANOVA table is summarized as follows:

14. Table 4.10: Regression –ANOVAa
ANOVA<sup>a</sup>

Mode	el	Sum of Squares	Df	Mean Square	F	Sig.
	Regression	105.388	4	26.347	213.131	.000°
1	Residual	33.006	267	.124		
	Total	138.394	271			

a. dependent variable: employees' performance

b. predictors: (constant), mission, adaptability, involvement, consistency

Source: Questionnaire and SPSS output (2021)

From ANOVA test in table 4.15 shows that the p-value for F-Statistics (0.000) is less than the significance level 0.05 (p<0.05). This is to mean that the model is significant/ acceptable from a statistical perspective. To explain more, accepting at least one of the cultural dimensions (i.e., involvement or consistency or adaptability or mission) had a significant influential relationship on employees' performance.

# 4.6.3 Regression Coefficient

15. Table 4.11: Regression Coefficient

Model	Unstand	Unstandardized		T	Sig.
	Coeffi	Coefficients			
	B Std. Error		Beta		
(constant)	.012	.137		.088	.930
Involvement	.270	.054	.259	5.015	.000
Consistency	.092	.070	.078	1.314	.190
Adaptability	.047	.051	.039	.925	.356
Mission	.564	.058	.562	9.729	.000

a. Dependent Variable: EMPLOYEES PERFORMANCE

Source: Questionnaire and SPSS output (2021)

Accordingly, the regression constant value showed that when the independent variables (involvement, consistency, adaptability and mission culture) are constant at zero, the employee performance would be at beta value of 0.12. While considering the degree to which the independent variables affect the dependent variable, the standardized coefficient results of mission showed that (Beta=.562; P<0.01) makes the strongest unique contribution to explain the dependent variable in which the results revealed that, a one unit increase or positive change in Mission would lead to a 0.562 unit increase in the level of employees' performance, followed by Involvement (Beta=.259, P<0.01), which indicates that a one unit change in the dependent variable will bring a 0.2590 unit increase in employee performance.

Hence, it implies that mission and involvement have a significant effect on employees' performance and able to explain the changes in increase of employee performance by 56.2% and 25.9%, respectively.

On the contrary, the consistency culture ( $\beta$  = .078, sig.190, p<.0.05) and adaptability ( $\beta$ = .039, sig.326, P<0.05), hence, they could able to accountable for the increase in employee performance by 7.8% and 3.9%, respectively. This may indicate that their level of impact on employee performance was somewhat weak in the context of ERA's culture practices as compared to the other two dimensions i.e., Mission and Involvement.

The values for the regression weights are as follows:

EP = 0.012 + 0.270IN + 0.092CON + 0.047AD + 0.564MI + E

EP – Employee Performance

IN - Involvement

**CON** - Consistency

AD - Adaptability

MI - Mission

#### CHAPTER FIVE

# 5 SUMMARY OF FINDINGS, CONCLUSIONS & RECOMMENDATIONS

This chapter discussed on the summary of the research findings with regard to the objectives of the study and illustrated the conclusions that have been reached. Recommendation that focuses on how the problem identified could be addressed is also included in this chapter.

# 5.1 Summary of Major Findings

This section summarized the core points and major findings which were obtained from data analysis of survey questionnaire. The summaries of findings from the data analyzed by using descriptive statistics, correlation and regression are presented below:

- ➤ Majority of the respondents moderately agree or satisfy with the existing practice of organizational culture in ERA.
- ➤ Some of the respondents replied that the organization's norms actively encouraged corporate teamwork and participation but in involvement dimension everyone in ERA doubts that he/she can has a positive impact.
- ➤ Some of the respondents replied for consistency culture dimension ERA has strong organizational culture, but significant proportion of the respondents also replied that the organization's leaders do not clearly show in practice what she/he is saying in word.
- ➤ Majority of the respondents replied for adaptability dimension learning is an important objective in a day-to-day work of the organization but employees in ERA do not have a deep understanding of partners wants and needs and also the organization innovation and risk taking are not encouraged and rewarded.
- Regarding mission dimension of organization culture, only below the average respondents have agreed that there is a clear mission that gives meaning and direction to work. In addition, majority of the respondent replied the organization do not continuously track their progress against their stated goals.
- The finding indicated that majority of the respondents have agreed on the employee performance was obtained from statement which inquires the level of employees get a sense of personal accomplishment from their work, on the other hand the respondents replied the organization do not have good performance appraisal system, the respondents do not have understanding of the

link between their performance and their pay, they do not receive regular performance review and also the organization does not examine targets gives for employees or teams against the planned objective

- Furthermore, from the analysis Involvement and mission had significant contribution to employee's performance at confidence level, since their p-values significance level for them were less than 0.05 (p<0.05). On the other hand, Consistency and Adaptability had a positive but statistically insignificant contribution on employees" performance since their p-value, which were greater than the significance level 0.05 (p>0.05).
- Moreover, Pearson coefficients implies that there was statistically significant positive relationship between employees" performance and all the four organizational culture dimensions (i.e., involvement, consistency, adaptability and mission) at P<0.01 level. Also, mission had stronger positive and statistically significant correlation with employees" performance than the other cultural dimensions. Following to mission, involvement and consistency had also strong and positive correlation with employees" performance. Relatively, adaptability has less positive correlation with employees" performance.

# 5.2 Conclusion

Based on the findings of this study a number of conclusions were drawn. The major objective of this study was to investigate the effects of organizational culture on employees' performance in ERA. The results indicated that all the variables of Organizational culture (Involvement. Consistency, Adaptability and Mission) have positively related with employee 's performance. With this objective in mind, a lot of descriptive statistical tools and regression analysis were used.

- ➤ Based on the above findings, involvement and mission have stronger positive and statistically significant correlation with employees" performance. The other two organizational culture dimensions; adaptability and consistency were ranked depending on their correlation level from most correlated to the least correlated. Relatively, adaptability was less positively correlated with employees" performance. Besides, the highest aggregated mean score of involvement also revealed that employees strongly agreed with the measure of involvement.
- ➤ Hence, the researcher concluded that involvement and mission are the most significant independent variable which has significant statistical contribution to employees" performance. The more employees identify mission of the organization, clear mission that gives meaning and direction to work, they more become performed to the organization, and also, the more employee identify involvement of the organization actively encouraged organization teamwork and participation, it significantly contributes to employee's performance to the organization.

- ➤ This study finding shows that consistency has moderate level of correlation with employee performance, which means that employees are performed to their organizations when they are consisted in Strong Organizational Culture and also good alignment of team goal with the authority strategic objectives, mission and vision. Furthermore, different department and division of the organization are able to work together well to achieve common goal both implementation process and employee performance.
- ➤ On the other hand, among measures of adaptability majority of employees agree on that learning is an important objective in a day-to-day work of the organization. However, the result from regression analysis indicates adaptability doesn't have significant effect on employee performance. Hence, as much as organizations try to maintain a strong culture by being highly adaptability, well-coordinated, and well-integrated, this does not have significant contribution to the level of employee performance

# 5.3 Recommendations

Based on the conclusions drawn from the study, the following recommendations were made by the researcher.

- As it is observed from the result of this research paper, 75.8% of the variation of employees" performance is predicted by the independent variables of the study (i.e. involvement, consistency, adaptability, and mission). This implies that there were also other contributing factors (indicated by the remaining 24.2% of variation) which were related to employees" performance. These may be job satisfaction, employee rewards, employees" motivation, employees" engagement etc. Therefore, the organization has to assess those contributing factors not covered on this research work; i.e., job satisfaction of employees using employees" survey, review employees motivational factors including incentives and salary scales based on benchmarks, and to review engagement practices through social gatherings and get together programs and others which may have significant contribution towards employee's performance.
- ➤ There is also a need for further research to investigate the contribution of those factors (indicated by the remaining 24.8% of variation) towards employees" performance which is beyond the scope of this study.
- Further study is also recommended to assess the relationship between and also to review effects of organizational culture on Employees" Performance, Job Satisfaction, organizational effectiveness etc. as this research work covers only employees" performance as a dependent variable.

- As majority of the respondents were employees who served the organization for less than five years, the company has to establish clearly defined and visible expression of organizational culture which enables to pass on the most important organizational cultures to the new hires.
- The researcher recommended that the organization has to maintain the significant cultural dimensions i.e., consistency and adaptability, which have significant positive contribution towards employees" performance. To explain further, the group mean of mission is the highest, which asserted that employees already identified the long-term plan of the organization. Therefore, the organization should also strengthen its organizational learning culture because it is a prerequisite for adaptability strategy. Therefore, the organization should encourage and empower its employees so as to make them more innovative and to develop an appetite for taking risks and to proactively respond to the changing needs of their customers, and finally they can comfortably adapt to the organization culture.

Finally, implementing the above recommendations, the organization would be able to focus on selected organizational culture and also it would be possible to have improvements in workplaces to help employees become more performed to their jobs.

#### 5.4 Recommendation for Future Research

Research was able to concentrate on only a small number of participants which may have significant effect in terms of results. In order to have more reliable and realistic results, it is recommended that other studies should be conducted focusing on the same topic using more industries.

Future researchers can also apply various types of organizational culture models formulated by different authors other than the Denison model; therefore, their perspectives regarding organizational culture will be enlarged. And also, future researchers can investigate other factors that influence employee performance such as job-related characteristics, personal characteristics, work experiences etc.

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# **ANNEX – I Questionnaires**

# St, Mary's University

# **Department of Business Administration**

# Questionnaire to be filled by employees of Ethiopian Road Authority

Dear Respondents,

I am Wegayehu Assefa, a graduate student at St. Mary's University, School of Graduate Studies. Currently; I am carrying out a research project at Ethiopian Road Authority in partial fulfillment of the requirements for the award of Master's degree in Business Administration. The study is entitled: The Effect of Organizational Culture on Employees Performance in the case of Ethiopian Road Authority. The response has an add value for the successful completion of this research. The information will be used for academic purpose only. Therefore, please take some minutes of your expensive time to fill this questioner and return it as soon as possible.

Thank you in advance for your valuable time and cooperation!

Yours Sincerely;

Wegayehu Assefa (wegayehuassefa05gmail.com	n 0911 12 21 87)
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#### **SECTION I: DEMOGRAPHIC DATA**

1. Gender	Male	Female				
2. Age	20-29	30-39	0-49	and above		
3. Marital Stat	tus Sir	ngle Marri	ed Divo	orce	Widow 🗌	
4. Educational Others	l Qualification	Diploma / Leve	el IV First	Degree	Masters and a	]e
5. Year of servabove 15 year	vice in the organ	nization 2-	-5 years	6-10 years	11-15 y	]
6. Employmer	nt Group 🔲	Managemen	at N	on-Managem	ent	

# **SECTION II: Organizational Culture**

Please indicate the degree of your agreement/disagreement with the following statements associated with the four dimensions of organizational culture: Involvement, Consistency, Adaptability and Mission in Ethiopian Road Authority. Please indicate with a tick mark ( $\checkmark$ ) the extent to which you agree or disagree with the following statements by using the scale of 1-5 where; 1 for Strongly Disagree (SD), 2 Disagree (D), 3 Neutral (N), 4 Agree (A) and 5 Strongly Agree (SA).

S. N	Dimensions of Organizational Culture	(SD)	<b>(D)</b>	(N)	(A)	(SA)
	INVOLVEMENT	1	2	3	4	5
7	In my org decisions are usually made at the levels where right information is available					
8	Info. is widely shared with my org so that employees can get the info. they need					
9	Everyone in ERA believes that he/she can have a positive impact					
10	In my opinion the authority norms are actively encouraged corporation teamwork and participation					
11	I believe that work is organized so that each person can see the r/s b/n his/her job and goals of the org.					
12	ERA develops its employees' human capability at all level					
13	ER has a direction on making continuous investment in the skill of employee					
	CONSISTENCY	1	2	3	4	5
14	ERA has a clear and consistent set of the values that indicates the way I do my work					
15	My boss always shows me in practice what she/he is saying in word					
16	There is an ethical code that guides my behavior and tells the right and the wrong					
17	D/f dept. and division. of my org. are able to work together well to achieve common goal					
18	In my opinion it is easy to reach consensus even on difficult issues					
19	I think ERA has Strong Organizational Culture					
20	It is to coordinate projects across d/f parts of the org.					
21	There is good alignment of team goal with the authority strategic objectives mission and vision					
	Adaptability	1	2	3	4	5
22	The way things are done in ERA is very flexible and easy to change					
23	In my org. new and improved way to do work are continually adapted					
24	Partner input directly influences org. decision					
25	Employee in ERA have a deep understanding of partners wants and needs					
26	In my org. Innovation and risk taking are encouraged and rewarded					

27	Learning is an important objective in a day-to-day work of					
	the org.					
28	ERA view failures as an opportunity for learning and					
	improvement					
	Mission	1	2	3	4	5
29	In my org. there is a clear mission that gives meaning and					
	direction to work					
30	My org. strategic direction is clear to me					
31	In my org. the leaders set a goal that are ambitious but realistic					
32	In my org. we continuously track our progress against our stated					
	goals.					
33	There is widespread agreement about the goals of my org.					
34	I have a shared vision of what my org. will look like in the					
	future					
35	In my org. leaders have a long-term view point					
36	My org. vision crates pleasure and motivation for me					

SECTION III: Employee performance
Please indicate the degree of your agreement/disagreement with the following statements associated with the employees' performance. Please indicate with a tick mark (□) the extent to which you agree or disagree with the following statements by using the scale of 1-5 where 1 for Strongly Disagree (SD), 2 Disagree (D), 3 Neutral (N), 4 Agree (A) and 5 for Strongly Agree (SA).

S.N	<b>Employee Performance</b>	(SD)	( <b>D</b> )	(N)	(A)	(SA)
		1	2	3	4	5
37	My job allows me to make use of my skills and abilities					
38	I get a sense of personal accomplishment from my work					
39	I have a complete knowledge and understanding while					
	performing my task					
40	I perform my work to the expected standards					
41	I understand how my performance is evaluated					
42	I think that the org. has good performance appraisal system					
43	I understand the link b/n my performance my pay					
44	My org. gives emphasis to workers devp. through training and					
	other mechanism					
45	I receive regular performance review					
46	My org. examines targets gives for employees or teams against					
	the planned objective					
47	I believe that my org. has good r/s style (leader with employee)					
48	I trust the feedback I receive from my team leader					
49	I am able to judge a given work situation and respond to it					
50	I am able to manage my time and allocate resources effectively					
51	As an employee I give the highest priority and support to meet					
	the needs of partner and to solve their problems					

# ANNEX II SPSS OUTPUT

# Correlations

		EMPLOYEES PERFORMANCE	INVOLVEMENT	CONSISTENCY	ADAPTABILITY	MISSION
	Pearson Correlation	1	.774	.760	.598	.851
	Sig. (2-tailed)		.000	.000	.000	.000
EMPLOYEES PERFORMANCE	Sum of Squares and Cross-products	138.394	102.662	89.727	69.743	117.430
	Covariance	.511	.379	.331	.257	.433
	N Pearson Correlation Sig. (2-tailed)	272 .774 <sup>**</sup> .000	272	.772 <sup>**</sup> .000	.523 <sup>**</sup> .000	272 .774 <sup>**</sup> .000
INVOLVEMENT	Sum of Squares and Cross-products	102.662	127.047	87.261	58.425	102.250
	Covariance N Pearson Correlation Sig. (2-tailed)	.379 272 .760** .000	.469 272 .772** .000	.322 272 1	.216 272 .685** .000	.377 272 .811** .000
CONSISTENCY	Sum of Squares and Cross-products	89.727	87.261	100.659	68.128	95.384
	Covariance N Pearson Correlation Sig. (2-tailed)	.331 272 .598** .000	.322 272 .523** .000	.371 272 .685** .000	.251 272 1	.352 272 .658** .000
ADAPTABILITY	Sum of Squares and Cross-products	69.743	58.425	68.128	98.292	76.527
	Covariance N Pearson Correlation	.257 272 .851**	.216 272 .774**	.251 272 .811**	.363 272 .658**	.282 272 1
	Sig. (2-tailed)	.000	.000	.000	.000	
MISSION	Sum of Squares and Cross-products	117.430	102.250	95.384	76.527	137.511
	Covariance	.433	.377	.352	.282	.507
	N	272	272	272	272	272

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

escriptive Statistics

escriptive Statistics								
	Mean	Std. Deviation	N					
EMPLOYEES PERFORMANCE	3.51	.715	272					
INVOLVEMENT	3.63	.685	272					
CONSISTENCY	3.60	.609	272					
ADAPTABILITY	3.27	.602	272					
MISSION	3.61	.712	272					

Model Summary<sup>b</sup>

Model	R R Squar		Adjusted R Square	Std. Error of the	Durbin-Watson
				Estimate	
1	.873ª	.762	.758	.352	1.953

a. Predictors: (Constant), MISSION, ADAPTABILITY, INVOLVEMENT, CONSISTENCY

**ANOVA**<sup>a</sup>

b. Dependent Variable: EMPLOYEES PERFORMANCE

Mod	lel	Sum of Squares	df	Mean Square	F	Sig.
	Regression	105.388	4	26.347	213.131	.000 <sup>b</sup>
1	Residual	33.006	267	.124		
	Total	138.394	271			

a. Dependent Variable: EMPLOYEES PERFORMANCE

b. Predictors: (Constant), MISSION, ADAPTABILITY, INVOLVEMENT, CONSISTENCY

# $Coefficients^{a} \\$

Model			andardized efficients	Standardized Coefficients	t	Sig.	Collinearity	Statistics
		В	Std. Error	Beta			Tolerance	VIF
	(constant)	.012	.137		.088	.930		
	involvement	.270	.054	.259	5.015	.000	.336	2.979
1	consistency	.092	.070	.078	1.314	.190	.253	3.954
	adaptability	.047	.051	.039	.925	.356	.493	2.030
	Mission	.564	.058	.562	9.729	.000	.268	3.734

a. Dependent Variable: EMPLOYEES PERFORMANCE Reliability Statistics

Cronbach's Alpha	N of Items
.898	45

**Descriptive Statistics** 

INVOLVEMENT	N	Minimum	Maximum	Mean	Std. Deviation
In my org decisions are usually made at the levels where right information is available	272	1	5	3.64	.907
Info. is widely shared with my org so that employees can get the info. they need	272	1	5	3.56	.992
Everyone in ERA believes that he/she can have a positive impact	272	1	5	3.38	.979
In my opinion the authority norms is actively encouraged corporation teamwork and participation	272	1	5	3.81	.794
I believe that work is organized so that each person can see the r/s b/n his/her job and goals of the org.	272	1	5	3.57	.926
ERA develops its employees' human capability at all level	272	1	5	3.73	1.162
ERA has a direction on making continuous investment in the skill of employee	272	1	5	3.72	1.029
Valid N (listwise)	272				

**Descriptive Statistics** 

CONSISTENCY	N	Minimu m	Maximum	Mean	Std. Deviation
ERA has a clear and consistent set of the values that dictates the way I do my work	272	1	5	3.51	.953
My boss always shows me in practice what she/he is saying in word	272	1	5	3.31	.994
There is an ethical code that guides my behavior and tells the right and the wrong	272	1	5	3.49	.850
D/f dept. and divi. of my org. are able to work together well to achieve common goal	272	2	5	3.76	.756
In my opinion it is easy to reach consensus even on difficult issues	272	1	5	3.45	.858
I think the ERA has Strong Organizational Culture	272	1	5	4.04	.977
It is to coordinate projects across d/f parts of the org.	272	1	5	3.44	.771
There is good alignment of team goal with the authority strategic objectives mission and vision	272	1	5	3.78	.861
Valid N (listwise)	272				

**Descriptive Statistics** 

ADAPTABILITY	N	Minimu m	Maximu m	Mean	Std. Deviation
The way things are done in ERA is					
very flexible and easy to change	272	1	5	3.26	.815
In my org. new and improved way	272	1	5	3.43	.942
to do work are continually adapted	212	1	3	3.43	.942
Partner input directly influences	272	1	5	3.31	.873
org. decision		•		0.01	1076
Employee in ERA have a deep understanding of partners wants and	272	1	5	3.09	.872
needs	212	1	3	3.09	.672
In my org. Innovation and risk	272	1	_	2.06	000
taking are encouraged and rewarded	272	1	5	3.06	.889
Learning is an important objective	272	1	5	3.75	.970
in a day to day work of the org.	212	1	3	3.13	.570
ERA view failures as an	272	1	_	2.01	1.045
opportunity for learning and	272	1	5	3.01	1.045
improvement Valid N (listwise)	272				
valid iv (listwise)	212				

**Descriptive Statistics** 

MISSION	N	Minimum	Maximum	Mean	Std. Deviation
In my org. there is a clear mission that gives meaning and direction to work	272	1	5	3.89	.931
My org. strategic direction is clear to me	272	1	5	3.71	.991
In my org. the leaders set a goal that are ambitious but realistic	272	1	5	3.42	.930
In my org. we continuously track our progress against our stated goals.	272	1	5	3.31	1.052
There is widespread agreement about the goals of my org.	272	1	5	3.59	.888

I have a shared vision of what my org. will look like in the future	272	1	5	3.61	.954
In my org. leaders have a long term view point	272	1	5	3.66	.966
My org. visions crates pleasure and motivation for me	272	2	5	3.72	.992
Valid N (listwise)	272				

**Descriptive Statistics** 

EMPLOYEE PERFORMANCE	N	Minimum	Maximum	Mean	Std. Deviation
My job allows me to make use of my skills and abilities	272	1	5	3.71	.860
I get a sense of personal accomplishment from my work	272	1	5	3.90	.887
I have a complete knowledge and understanding while performing my task	272	1	5	3.57	1.101
I perform my work to the expected standards	272	1	5	3.76	.896
I understand how my performance is evaluated	272	1	5	3.49	.893
I think that the org. has good performance appraisal system	272	1	5	2.99	1.090
I understand the link b/n my performance my pay	272	1	5	2.81	1.096
My org. give emphasis to workers devp. through training and other mechanism	272	1	5	3.61	1.188
I receive regular performance review	272	1	5	3.21	1.072
My org. examines targets gives for employees or teams against the planned objective	272	1	5	3.25	.994
I believe that my org. has good r/s style (leader with employee)	272	1	5	3.61	.989
I trust the feedback I receive from my team leader	272	1	5	3.45	1.022
I am able to judge a given work situation and respond to it	272	2	5	3.82	.711
I am able to manage my time and allocate resources effectively	272	1	5	3.77	1.097
As an employee I give the highest priority and support to meet the needs of partner and to soolve their problems	272	1	5	3.73	1.041
Valid N (listwise)	272				